

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 H-01 EB-03 L-01 INR-05 SP-02

CIAE-00 NSC-05 NSCE-00 RSC-01 EURE-00 /041 W

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P 201400Z DEC 74

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC PRIORITY 7419

C O N F I D E N T I A L PRAGUE 3115

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, EFIN, CZ, US

SUBJECT: CLAIMS AGREEMENT

REF: STATE 278660

1. DCM MET WITH ZANTOVSKY DECEMBER 20 TO DISCUSS SITUATION IN WAKE OF PASSAGE OF LONG-GRAVEL AMENDMENT.

2. ZANTOVSKY WAS PERSONLLY ON EDGE AND UPSET, HAVING BEEN AWAKENED AT 3.00 A.M. WITH THE BAD NEWS. HE HAD BEEN IN TOUCH BY PHONE AND/OR CABLE WITH FONMIN CHNOUPEK IN VIENNA AND PRESIDUM MEMBER BILAK IN BUDAPEST, AND WOULD MEET CHNOUPEK UPON HIS RETURN EVENING DECEMBER 20 TO PREPARE REPORT FOR PARTY AUTHORITIES. FOR PRESENT, HE OBVIOUSLY HAD NO AUTHORITATIVE WORD ON CZECHOSLOVAK REACTION. HE WAS CLEAR THAT HIS PERSONAL POSITION HAD SUFFERED, AND HE IMPLIED THAT POSITION OF CHNOUPEK MIGHT HAVE. HE SAID IN PARTICULAR HE WAS CONCERNED ABOUT WORD "RENEGOTIATION", FOR SOME OF HIS SUPERIORS WOULD ARGUE THAT BY HOLDING GOLD AS HOSTAGE US SIDE MIGHT TRY TO OPEN EVERY QUESTION UP AGAIN.

3. DCM FOLLOWED POINTS IN REFTEL, SAYING THAT AMBASSADOR AND HE FELT EXCHANGE OF ALL AVAILABLE INFORMATION MIGHT BE USEFUL IN DECIDING WHAT LAY AHEAD. DCM EMPHASIZED POINT THAT AT THIS STAGE WE DID NOT KNOW WHAT "RENEGOTIATION" MEANT. NEVER-CONFIDENTIAL

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THELESS WE FELT THAT THIS WAS DEFINITELY NOT THE END OF

THE ROAD, THAT US SIDE WANTED TO DEVELOP MORE CONSTRUCTIVE AND NORMAL RELATIONS WITH CZECHOSLOVAKIA, THAT WE SHOULD NOW SEE HOW TO MOVE AHEAD TOGETHER.

4. DCM ALSO EMPHASIZED IMPORTANCE OF AVOIDING ANY ACTS TO WORSEN SITUATION, SAYING "GET TOUGH" POLICY COULD ONLY HURT THINGS. IN THIS CONNECTION HE CITED STEPS CZECH SIDE HAD TAKEN RECENTLY WHICH DEPARTMENT THOUGHT DID NOT CONTRIBUTE TO BETTERING SITUATION (CLOSED AREA REFUSALS, PROBLEMS WITH EXHIBITS, WARNINGS ABOUT NON-OPENING OF CONGEN INBRATISLAVA, ETC.) ON EACH POINT ZANTOVSKY GAVE CAREFUL REPLY, SAYING SOME HAD ARGUED FOR "TOUGH"POLICY, BUT SITUATION HAD IN FACT BEEN KEPT CAREFULLY WITHIN BOUNDS, E.G. EXHIBITS WENT FORWARD (AND WESTERN ART WAS PROCEEDING FOR BRATISLAVA OPENING ON SCHEDULE) DESPITE ARGUMENTS OF HARD-LINERS THAT THEY SHOULD NOT. AS FOR CLOSED AREAS, THIS WAS US-IMPOSED SYSTEM, AND IF US CAME FORWARD WITH PROPOSAL FOR MUTUAL ABOLITION, THIS WOULD STILL BE VIEWED POSITIVELY. ZANOTVSKY SAID THAT THERE WAS BOUND TO BE MENTION OF AMENDMENT IN CZECH PRESS, AND US SIDE SHOULD NOT EXPECT CZECHS TO CONSIDER LONG-GRAVEL AS A GESTURE OF "GOOD WILL" FROM US SIDE. HE DID ADD THAT WE WERE NOT STOPPING OUR DIALOGUE, AND THAT POLICY OF WANTING GOOD RELATIONS WITH US WAS LONG-STANDING AND LONG-RANGE POLICY.

5. ON CONTENT OF AMENDMENT ITSELF, ZANTOVSKY WAS GREATLY INTERESTED IN LINKAGE OF CLAIMS AGREEMENT AND TRADE AGREEMENT SET FORTH EXPLICITLY IN THE AMENDMENT. HE SEEMED TO FEEL THAT GETTING PARTY APPROVAL TO "RENEGOTIATE" THE CLAIMS AGREEMENT PER SE WOULD BE IMPOSSIBLE (HE POINTED OUT THAT EVEN THE THREE-ANNUAL-INSTALLMENTS CONCESSION WAS CONDITIONAL UPON DEFEAT OF THE AMENDMENT), BUT PERHAPS BROADENING THE SCOPE TO INCLUDE DISCUSSION OF A TRADE AGREEMENT (AS CALLED FOR IN THE AMENDMENT) WOULD OFFER SOME OPENING. ZANOTOVSKY SAID CZECH SIDE HAD MADE ALL THE GESTURES LATELY, PERHAPS US SIDE COULD MAKE ONE NOW IN WAKE OF LONG-GRAVEL PASSAGE. IMPLICATION OF HIS REMARKS WAS THAT IF US SIDE COULD AT PROPER MOMENT PROPOSE TRADE AGREEMENT TALKS (ON BASIS SPECIFIC DEMAND FOR THIS IN LONG-GRAVEL AMENDMENT), PERHAPS THIS WOULD HELP GET SITUATION MOVING AGAIN.

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, AGREEMENTS, LONG-GRAVEL AMENDMENT, DIPLOMATIC DISCUSSIONS, DEBT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 DEC 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PRAGUE03115
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740370-1132
From: PRAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741219/aaaaapqh.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 74 STATE 278660
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2002 by shawdg>; APPROVED <28 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CLAIMS AGREEMENT
TAGS: PFOR, EFIN, CZ, US, (ZANTOVSKY)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005